



HOUSE COMMITTEE ON APPROPRIATIONS

FY 09-10

Executive Budget Review

Public Service Commission



The Public Service Commission includes the following programs:

Administrative
Support Services
Motor Carrier Registration
District Offices



Executive Budget by Means of Finance

PUBLIC SERVICE COMMISSION					
Means of Financing (MOF)	Actual Expenditures FY 2007-08	Existing Operating Budget FY 2008-09 (2/1/09)	Executive Budget FY 2009-10	Change From FY 08-09 to FY 09-10	Percent Change From FY 08-09 to FY 09-10
State General Fund (SGF)	\$0	\$0	\$0	\$0	0.00%
Interagency Transfers (IAT)	\$0	\$0	\$0	\$0	0.00%
Fees and Self-gen. Rev. (SGR)	\$0	\$0	\$0	\$0	0.00%
Statutory Dedications (SD)	\$8,805,096	\$8,017,828	\$8,108,722	\$90,894	1.13%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$0	\$0	\$0	\$0	0.00%
TOTAL MOF	\$8,805,096	\$8,017,828	\$8,108,722	\$90,894	1.13%
Authorized Positions	122	94	94	0	0.00%

Major Sources of Revenue Include: Fees for the inspection and control of any motor carriers and public utilities doing business in Louisiana, fines collected through the "Do Not Call" program, and intrastate regulation of motor carriers.

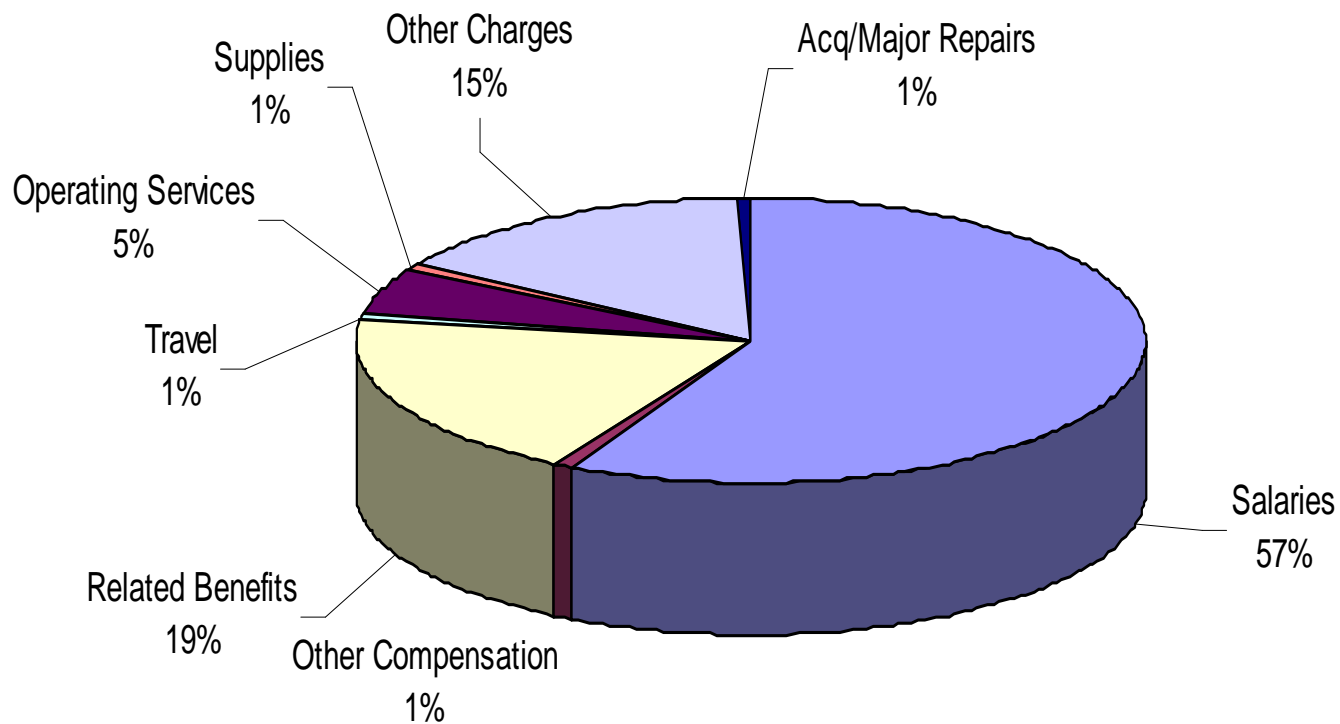


FY 09-10 Executive Budget by Expenditure

Public Service Commission					
Expenditures	FY 07-08 Actual	FY 08-09 Existing Operating Budget	FY 09-10 Executive Budget	Change from FY 08-09 to FY 09-10	Percent Change
Salaries	\$ 4,818,521	\$ 4,378,068	\$ 4,671,354	\$ 293,286	6.7%
Other Compensation	\$ 40,476	\$ 65,800	\$ 54,373	\$ (11,427)	-17.4%
Related Benefits	\$ 1,718,628	\$ 1,515,067	\$ 1,547,084	\$ 32,017	2.1%
Travel	\$ 79,882	\$ 97,866	\$ 62,580	\$ (35,286)	-36.1%
Operating Services	\$ 378,682	\$ 437,362	\$ 417,112	\$ (20,250)	-4.6%
Supplies	\$ 89,739	\$ 56,316	\$ 47,464	\$ (8,852)	-15.7%
Prof Svcs	\$ -	\$ -	\$ -	\$ -	0.0%
Other Charges	\$ 1,287,579	\$ 1,394,549	\$ 1,256,805	\$ (137,744)	-9.9%
Acq/Major Repairs	\$ 391,589	\$ 72,800	\$ 51,950	\$ (20,850)	-28.6%
TOTAL EXP	\$ 8,805,096	\$ 8,017,828	\$ 8,108,722	\$ 90,894	1.1%



FY 09-10 Executive Budget by Expenditures





Discretionary vs Non-Discretionary Funding FY09-10

Discretionary	\$7,136,356	88.01%
Non-Discretionary	\$972,366	11.99%
Total	\$8,108,722	100.00%

- The largest portion of discretionary funding is used to fund salaries and related benefits (77%). Seventy-five percent of the non-discretionary funding is used to pay rent for a state owned building.



Major Statutory Dedications

The chart below lists significant statutory dedicated funds appropriated to the Public Service Commission.

	FY 07-08	FY 08-09	FY 09-10
Motor Carrier Regulation Fund	\$1,675,233	\$790,242	\$336,496
Telephonic Solicitation Relief Fund	\$258,236	\$310,057	\$318,358
Utility and Carrier Inspection/Supervision Fund	\$6,871,625	\$6,917,529	\$7,453,868



Public Service Commission

STATUTORY DEDICATIONS

Motor Carrier Registration Fund - (R.S. 45:169.1) Source of funding is fees and self generated revenues. \$831,934 was appropriated in FY 08-09. The Administration reduced this amount by 5% as part of a deficit reduction plan. There is a fund balance of \$612,783 as of 2/5/09. The motor carrier fund collects fees from oversight of motor carriers transporting household goods, waste, or passengers or operating as a wrecker/tow service. These revenues are used for the operation of the program.

Utility and Carrier Inspection and Supervision Fund - (R.S. 45:1777) Source of funding is fees and generated revenues. \$7,281,609 was appropriated in FY 08-09. The Administration reduced this amount by 5% as part of the FY 08-09 deficit reduction plan. There is a fund balance of \$6,426,702 as of 2/5/09.

Motor carriers and public utilities doing business in Louisiana that are subject to control and jurisdiction of the PSC are charged a fee for the inspection, control, and supervision of the business services and rates. This applies to common carriers and public utilities. In addition they are subject to any and all property, franchise, license, and other taxes, and fees and charges.



STATUTORY DEDICATIONS (cont.)

Telephonic Solicitation Relief Fund- (R.S. 45:844.14) The source of funding is fees and self generated revenues. \$326,376 was appropriated in FY 08-09. The Administration reduced this amount by 5% as part of the FY 08-09 deficit reduction plan. There is a \$478,434 fund balance as of 2/5/09.

The Telephonic Solicitation Relief Fund is used to provide oversight to the "Do Not Call Program" which established rules and regulations for residential telephonic subscribers who do not wish to receive telephonic solicitations.



Public Service Commission

SALARIES/ POSITIONS

- \$4.6 million for salaries and \$1.5 million for related benefits Total Salaries and Related Benefits = \$6.2 million or 77% of the total recommended budget
- Average Salary for the Department = \$49,695
- 94 positions (76 classified and 18 unclassified)
- As of 3/1/09, the department had 4 vacancies
5 yr historical vacancy rate = 10 positions



Significant Budget Changes

\$350,097 SD	Provides funding for the salary base adjustment.
\$155,884 SD	Provides funding for classified employee merit increases and annualized merit increases for classified state employees.
\$191,950 SD	Provides funding for acquisitions and major repairs.
(\$237,821) SD	Salary funding from other line items.
(\$96,644) SD	Decreased funding due to the attrition adjustment.
(\$93,225) SD	Decreased funding for rent in state owned buildings.
(\$72,800) SD	Non-recurred major repairs and acquisitions.



Do Not Call

- The Louisiana "Do Not Call" Program, established on January 1, 2002, is a list, updated and maintained by the Public Service Commission, of residential telephone subscribers who do not wish to receive telephone solicitations. Business numbers may not be registered in the program. The program is free to all residential telephone customers. Once the residential telephone number is registered with PSC, the information is compiled and stored in a database that contains the telephone numbers of all program participants. Consumers will remain on the register for a period of five years. Businesses wishing to engage in telephone solicitation of residential subscribers within the state of Louisiana must purchase a copy of the "Do Not Call" register. To obtain a copy of the register, solicitors must complete an application and pay all applicable fees. Registration is valid from January 1 to December 31 of the registration year. Businesses who unlawfully call numbers on the register will be subject to fines up to \$3,000 per violation for residential telephonic subscribers over the age of 65 and up to \$1,500 for all other residential telephonic subscriber violations. All fees and fines collected are deposited into the Telephonic Solicitation Fund.



5 Year Collections for "Do Not Call"

<u>Do Not Call</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Subscribers registered	793,196	1,260,893	1,597,373	1,832,928	2150169
Solicitors registered	384	409	607	894	814
Solicitor registration fee	\$ 308,080	\$ 295,900	\$ 300,200	\$ 357,900	\$ 318,909
Solicitor fines collected	\$ 67,500	\$ 45,000	\$ 30,006	\$ 38,450	\$ 15,103



Issues

Act 753 of the 2008 Regular Session authorized the Commission to implement the Federal Railroad Safety Act of 1970 which provides that the Louisiana Public Service Commission perform inspections at railroad facilities and issue any orders necessary to implement the Federal Railroad State Safety Participation program.

The Louisiana Railroad Association (LRA) was granted an injunction to prevent the PSC from collecting fees for railroad safety inspections. The LRA contends that the fees are either an unconstitutional tax or an unauthorized regulatory fee and only the Legislature can impose a tax. Furthermore, the LRA does not believe that the PSC has regulatory authority over the safety practices of railroads.